

***United States Court of Appeals
for the Second Circuit***



APPELLEE'S BRIEF

74-1765

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

Appeal No. 74-1765

ESSO RESEARCH AND ENGINEERING COMPANY,

Plaintiff-Appellant,

v.

KAHN AND COMPANY, INC. and CHANDLER-EVANS, INC.,

Defendants-Appellees.

On Appeal from the United States District Court

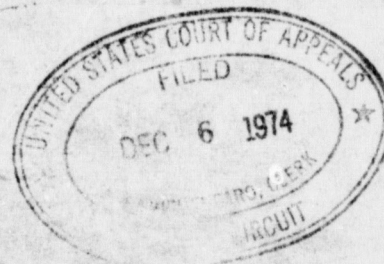
For the District of Connecticut

BRIEF FOR APPELLEES

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BRIEF ON APPEAL OF
DEFENDANTS-APPELLEES

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BRIEF ON APPEAL OF DEFENDANTS-APPELLEES

SUMMARY OF ARGUMENT

The plaintiff-appellant and the parties defendant-appellees are herein referred to as "Esso" and "Kahn".

Esso briefed its argument for reversal under five headings which correspond generally to the six points designated at the beginning of the brief as "The Issues Presented for Review".

The first Esso argument represents that the trial court failed to consider that a combination of known elements or process steps can be patentable.

The short answer is that of course there can be patentable invention in combining known steps, but their combination must be unobvious. The trial court here made crucial factual determinations in study of the prior art and the evidence pertaining to it. The court determined that the prior art revealed the antiquity of the individual steps involved (as Esso apparently admits) and also determined that the prior art taught or clearly suggested the Esso-Skarstrom combination of the known steps. Based upon such factual determination, the trial court said (Decision, p. 23)¹:

"Obviousness is a legal conclusion which the court is required to draw from the facts appearing of record."

Having reached such conclusion based upon the factual determination, the court did not have to say that if the facts were different a different conclusion more pleasing to Esso would have been drawn. It is thought that Esso's first argument constitutes an attack upon the trial court's determination of the facts.

1. - 59a

The second Esso argument (the second and third of "The Issues Presented For Review") is that Skarstrom obtained unexpected results which were ignored by the trial court.

Skarstrom and others may have been pleased with the results of his experimentation, but this is not to say that such results were unpredictable and unexpected in the light cast by the clear teaching of the prior art and textbook knowledge of the Boyle and Dalton physical laws of nature. Contrary to the Esso contention, the trial court did not ignore the pleasing results, but, in making factual determinations in the prior art, found that such results were predictable. The trial court could not then place Skarstrom in a vacuum - closing out the prior art teaching - and reward him with a patent because he was pleased with his results. According to law, the court had to charge Dr. Skarstrom with the same knowledge of the prior art that anyone of "ordinary skill" in the art is imputed to have. The court did indeed carefully consider Skarstrom's pleasing results to see whether they should be characterized as "unexpected". Look to the decision:

"In their explanation through their respective experts of the Skarstrom drier's dependence on Boyle's and Dalton's Laws, neither party suggested that the Skarstrom drier represented a novel application of these fundamental principles or achieved theretofore unpredictable results."
(Decision, pp. 13-14)²

2. - 50a

"... '[T]he proper way to apply the §103 obviousness test to a case like this is to first picture the inventor as working in his shop with the prior art references - - which he is presumed to know - - hanging on the walls around him.'..." (Decision, p. 15)³

"All of the steps he took led in the direction which the prior art would lead one to expect. There was no sudden breakthrough which opened up exciting possibilities for the future." (Decision, p. 23)⁴

"It may be that Dr. Skarstrom was pleased when he discovered that he could use the Trinity drier without the aid of heaters, but this does not mean that he must be rewarded with a patent, for neither his, nor the court's subjective reaction has any place in the test which must be made. Obviousness is a legal conclusion which the court is required to draw from the facts appearing of record". (Decision, p. 23)⁵

It is submitted that this second argument, like the first, seeks to attack the trial court's determination of facts leading to the conclusion that the results were quite predictable or obvious.

The third Esso argument (the fourth of "The Issues Presented For Review") asserts that the trial court misinterpreted the significance of and misapplied the Boyle and Dalton physical laws of nature in this case.

3. - 52a

4. - 58a

5. - 59a

It is said in the Esso brief (p. 43) that these laws

"...relate to the behavior of gases relative to pressure...", and

"...while of some relevance to the Skarstrom patent, they can hardly be described as providing a clear teaching as to a unique adsorption process which was in conflict with the prior art use of heaters..."

The short answer is that the trial court, acting under the direction given by Esso's own expert [and not "from a skillful effort by defendant's counsel" (Esso brief 44)], used that expert's definition of the physical laws and applied them, not to explain why adsorption occurs, but to explain why the Skarstrom process and its results would be obvious and predictable to a person of ordinary skill in view of the prior art.

In this argument, Esso has boldly attacked the testimony of its own expert, and thus attacked the trial court's findings based on such testimony. This will be pointed to quite specifically later.

The fourth Esso argument (the fifth of "The Issues Presented For Review") suggests that the trial court was persuaded under German patent law to hold the Esso U. S. patent invalid, and that there was insufficient evidence presented on German patent law. Nonsense.

The trial court looked at Esso's involvement in Germany only to the extent necessary to determine what Esso had said was contained in the prior art. This embraced Esso's correspondence with its German patent agent and its representation or "admission" as to the content of the prior art before a German Patent Office tribunal.

It is abundantly clear in the court's Memorandum of Decision that German patent law was not involved in any conclusion reached, but that the aforesaid Esso correspondence and the Esso representation before the German tribunal threw light upon the disclosure and content of the same prior art being considered in Germany and by the trial court here.

In the fifth argument (the sixth of "The Issues Presented For Review"), Esso asserts that the trial court applied an "inventive genius" or "flash of genius" test, and that this is improper.

The court applied no such test, but found that the Esso-Skarstrom process and patent failed to qualify under the less severe tests prescribed by the Supreme Court for concluding whether or not the underlying invention was "unobvious".

Before turning to more lengthy discussion of the Esso contentions, it is to be noted in behalf of Kahn that the brief

description of the Skarstrom process provided by the trial court (Decision, pp. 8-10)⁶ appears to be accurate. Esso does not seem to dispute the court's description either.

Further, and while the specific content of the patent claims is not to be forgotten, Kahn acknowledges, as did the trial court (Decision p. 10)⁷, the Esso restatement of the allegedly novel steps of the Skarstrom process as being:

"The Skarstrom invention is:

A completely self-contained, self-regenerating gaseous fractionating process utilizing a selective adsorbent in which the adsorbent bed is the sole agent for fractionation and heat exchange which comprises:

- (1) a repetitive adsorption/desorption process utilizing differences in pressure;
- (2) wherein gaseous feed is introduced at one end of the adsorbent bed and product effluent recovered at the other end;
- (3) a part of the product effluent is used to desorb the bed (or essentially the same product effluent from a paired companion bed on a complimentary cycle);
- (4) by counter-current flow at lower pressure than the adsorption pressure;
- (5) with cycle times sufficiently short so that heats of adsorption/desorption are substantially retained and balanced within the adsorbent bed;

6. - 45a-47a

7. - 47a

- (6) the adsorption/desorption being effected so as to create an oscillating concentration front which remains in the adsorbent bed with only a fraction of the adsorbent bed being utilized for the most of the adsorption/desorption;
- (7) said process operating so as to eliminate the need for any supplemental heat exchanges; and
- (8) the need for any external purge gas supply."

The trial court recognized repetition in the eight steps set forth above, and thus at page 11⁸ of the Decision said:

"These allegedly unique steps in the Skarstrom process upon analysis can be distilled to four:

1. Repetitive adsorption and desorption at short cycle time at substantially the same temperature, thus to eliminate the need for heaters.
2. Adsorption being at high pressure, and desorption at low or atmospheric pressure.
3. A portion of the dry product being used in reverse flow as the purge gas.
4. The adsorption and desorption creating an oscillating front within each bed."⁹

Before considering whether these four steps and/or their combination are novel in comparison with prior art heaterless type driers, they should be measured against the old heater type drier Dr. Skarstrom modified for heaterless operation.

8. - 48a

9. Color high-lighting is used to show how the trial court was able to reduce the eight allegedly novel steps to four for easier handling.

Dr. Skarstrom said (Tr. 364)¹⁰ the heater type drier "was very much like" the heaterless drier "only it had heaters in it". He said (Tr. 374)¹¹ the old heater type drier used a feed gas under pressure and the purge at atmospheric pressure, this being what is set forth as "novel" in step 2. He testified (Tr. 372-373)¹² that a portion of the dried product was used as the purge in the old heater type drier, but, curiously, this is asserted by Esso to be novel in step 3 for heaterless type driers. Further, since the heater type driers were not operated to complete saturation and failure, the adsorption and desorption they carried out created an oscillating loading front within their beds, and this is what Esso asserts as novel for the Skarstrom heaterless drier at step 4.

It is abundantly clear, therefore, from the inventor's own testimony, that three of the four steps alleged to be novel in the Esso heaterless drier process were performed in the old heater type drier he experimented with. The remaining step, step 1, as noted above is:

1. Repetitive adsorption and desorption at short cycle time at substantially the same temperature, thus to eliminate the need for heaters.

As the inventor, Skarstrom, testified and as the court noted (Decision p. 6)¹³, the old heater type drier conducted

10. - 202a

11. - 209a

12. - 207a-208a

13. - 43a

"repetitive adsorption and desorption" on 12 hour cycles. This is not "short cycle time at substantially the same temperature", the only element or portion of a step missing in the operation of the heater-type drier with which Skarstrom started his experimentation. It is understandable then that Dr. Skarstrom said (Tr. 389)¹⁴ that in converting to heaterless operation he merely cut off the heaters and speeded up the timing.

Up to this point the only prior art considered has been the commercial heater type drier with which Skarstrom started. He may have thought he was the pioneer in heaterless driers, but in fact he was not. Well before Skarstrom's effort a German inventor, Kahle, had progressed well into heaterless driers and processes as evidenced by his patents and publications of record in this case. Although Kahle was not Skarstrom's only predecessor in the art of heaterless drying, his closely related work was most significantly revealed in three items available to all before Skarstrom started. His published items were German patents 970,223¹⁵ and 871,886¹⁶ and the publication Chemie Ingenieur of 1953¹⁷ (Decision p. 17).¹⁸

14. - 220a

15. - E-151

16. - E-141

17. - E-167

18. - 59a-60a (footnote #7)

Although Dr. Skarstrom may not in fact have been aware of these earlier Kahle publications during his work in 1956, but in the public interest against invalid patents he is presumed to have had their knowledge and teaching before him as a man of at least ordinary skill in this art.

There is wholly uncontroverted evidence in this case that Esso knew of the existence and content of the Kahle prior art in 1964 and 1965, years before it instituted this suit against Kahn. We refer to Kahn Exhibit V(5)¹⁹, a collection of correspondence between the Esso patent department in the United States and its German patent agents who were prosecuting the Esso application for a patent in Germany on the same Skarstrom invention.

This collection includes a letter of June 11, 1965 from Esso to its German agent wherein a tabulation²⁰ was made of the features or steps in the Skarstrom process for comparison with Kahle to determine whether his prior art disclosed such features or steps. [the same color coding is added here for matching with the four steps Esso asserted as novel in the United States before the trial court eight years later.]

19. E-187

20. E-204

<u>Invention's features</u>	<u>German 871,886</u>	<u>German 970,223</u>	<u>Kahle's 1953 Article</u>
Adsorption is short of bed saturation & preferably short of break through	Yes, as to saturation questionable as to break through	yes	yes
Adsorption is at elevated pressure and desorption at lower pressure	yes	yes	yes
Desorption is short of complete removal of adsorbed component	yes	yes	yes
The process is cyclic	yes	yes	yes
Part of the unadsorbed effluent gas is used to desorb.	Ambiguous	no	yes (but in heated Sorbogen II process, pg. 148)
The heats of adsorption and desorption are balanced in the bed (conserved), thus eliminating the need for external transfer of heat.	no	yes, but questionable	no
There are no heaters in the bed or on gas lines	yes		yes

This June 11, 1965 acknowledgement by Esso on the content of the Kahle prior art casts great doubt upon the sincerity of the Esso representations in the 1973 trial here that its four steps are "unique". The Esso German patent agent was disposed to point out that the Kahle prior art was even more revealing than was grudgingly admitted by the Esso patent department. That is the German agent said [again in Kahn Exhibit V(5)]²¹:

"I agree to the tabulated comparison of the features of the invention and the Kahle references with two exceptions. Firstly, in my opinion there is no doubt that German patent 970,223 discloses the method of cyclical heat conservation. Moreover, both German patents 871,886 and 970,223 as well as the Kahle article (1953) clearly disclose that adsorption and desorption are effected at the same temperature. Secondly, cyclical heat conservation is a result rather than a teaching of the operating conditions. For both reasons the cyclical heat conservation itself will hardly provide a distinguishing feature."

In other words, the Esso German patent agent resolved any lingering doubts as to the content of the Kahle prior art in favor of Kahle and against Esso.

ARGUMENT

In the Esso brief (p. 20) just prior to the "Argument", the statement is made that there is "No Question That [the] Combination Is Novel" because

21. - E-213

"...the grounds of invalidity urged were 35 USC §103 rather than §102. Section 102 applies where there is a complete disclosure of invention in the reference, whereas §103 deals with the more subtle question which presumes no such complete showing. It raises the issue of 'would it have been obvious to one skilled in the art?' to combine the teachings of the various references so as to meet the subject matter of the claims."

This statement requires correction. Section 102 applies and the patent claim is invalid as fully anticipated where there is a complete disclosure of the claimed invention in a single prior art reference. Section 103 applies where something is missing in the single reference but it would be obvious to a person skilled in the art to supply that which is missing. The skilled person might supply the missing element as a mechanical matter obvious to anyone of such skill in the art, or he might find that the missing element and its use are taught in one or more additional prior art publications or references, and thus obviously applicable.

In the case at bar Esso does not contend that any step of the Skarstrom process is novel per se and not disclosed in the prior art. Esso contends that the combining of the steps involved Skarstrom's inventive act. Esso suggests that the known steps are disclosed in the prior art only through many widely scattered references and thus their combination could not be obvious. Esso's own chart, supra p. 12, dispells this suggestion. It shows that all of the steps are disclosed in but three related prior art publications of a single prior

inventor, Kahle. Esso's German patent agent goes farther, supra p. 13, and asserts that all of the steps and their combination are shown in each of the Kahle publications. Following the Esso agent, it can be said that the Skarstrom patent is invalid under 35 USC § 102. Following either the Esso chart or its German agent, the combination is obvious and the patent invalid under 35 USC §103.

At page 21 of its brief, Esso asserts that POINT I of its argument is

"THE TRIAL COURT FAILED TO RECOGNIZE THE
KEY ISSUE THAT A COMBINATION OF KNOWN ELEMENTS
CAN BE PATENTABLE"

and at page 26 Esso says:

"At no time did the Court below clearly pose the question 'assuming each feature could be shown, was this nevertheless an unobvious combination?'"

Esso would have this court of appeals ignore the whole import or overall content of the trial court decision to search for specific language which Esso now thinks should have been spelled out in that decision.

It is abundantly clear in the decision that the trial court considered each and every step of the Skarstrom process and was well aware of their combination. And, having carefully applied the tests for obviousness enumerated in Graham vs. John Deere, 383 U.S. 1 (1966) the trial court concluded that "the

subject matter as a whole" was obvious. This is what 35 USC §103 requires, and nothing more. When a trial court considers the "subject matter as a whole" it has considered whether the combination of known steps or elements is patentable. This trial court pointed out (Decision p. 14)²² its awareness of the requirement to consider "the subject matter as a whole", and then found the "whole" obvious. A trial court should not be required to state all possibilities for patentability which were considered and discarded when the commanding evidence dictated a conclusion that the "subject matter as a whole" was obvious from the prior art.

The thrust of Esso's argument for patentability in the combination of old steps rests upon the contentions:

1. That the old steps were shown in some
10 scattered items of prior art (brief 24);
2. That combining the prior art would not provide a "plug-in" drier "as small as suitcase size as was demonstrated before the Court (Exhibit 15)" (Brief 26); because
3. The Kahle prior art requires a large air liquefaction plant to produce the purge gas.

Dealing with these contentions it is to be noted:

1. While there are many items of prior art on heaterless driers, the old steps were shown

22. - 51a

in just 3 publications, all by Kahle, as was known to Esso in 1964-1965, supra p. 12-13, and as was noted by the trial court (Decision p. 17)²³.

2. The claims of Esso's patent do not call for a small "suitcase size" drier such as was shown the court as Exhibit 15. Kahn makes heaterless driers substantially larger than Exhibit 15, and Esso would not excuse them from the accusation of infringement. "Size" of any drier, heaterless or heater-type has only to do with its flow capacity. "Size and plug-in capability" are not mentioned in the claims of the Skarstrom patent. The old heater driers were of "suitcase size" and had the plug-in capability, as Skarstrom noted in comparing them to Exhibit 15 (Tr. 364)²⁴. The trial court was aware of this acknowledgement by Skarstrom (Decision p. 8)²⁵.

Further on this point, as a preamble to its restatement of the Skarstrom process steps, Esso says:

23. - 54a - 55a

24. - 202a

25. - 45a

"The Skarstrom invention is:

A completely self-contained, self-regenerating gaseous fractionating process utilizing a selective adsorbent in which the adsorbent bed is the sole agent for fractionation and heat exchange which comprises:"

and Esso now hints that such preamble comprises a part of the claimed process or is a step in the combination. It is no part of the actual process, but the court nonetheless was aware of the preamble and quoted it verbatim in the Decision (p. 10)²⁶.

3. The Esso present contention that the Kahle prior art required a large air liquefaction plant to produce purge gas is contrary to the evidence in this case and contrary to its own charting and correspondence in 1964-1965, supra 12-13. Kahle does show an air liquefaction plant as an apparatus making advantageous use of the dry product air produced by the heaterless drier. However, it is clearly stated by Kahle (contrary to the Esso contention) in

his publication in "Chemie Ingenieur"²⁷ that "One can also use as a purge gas, a partial flow of the clean gas branched off downstream from the adsorbent." Obviously, Kahle did not contemplate that the purge gas can only be taken at the end of the air liquefaction plant as Esso now contends. The trial court noted this and quoted the above passage from Kahle at page 20²⁸ of the Decision.

Pursuing the contention that Kahle only calls for the output of an air liquefaction plant for purge gas, Esso represented to the trial court and again represents to this court (Brief 36-37) that its expert, Dr. Meissner testified that the German term "Zerlegungsprodukt" means just that. We have been unable to find a record of such testimony by Dr. Meissner wherein he mentioned "Zerlegungsprodukt". Perhaps Esso will point to such testimony if it does in fact exist.

27. - E-178

28. - 56a

Kahn has no dispute with the general proposition at law to the effect that there can be patentable invention in the act of combining individually old steps. The many cases cited by Esso on this point are quite sound. For the most part, these decisions uphold trial court conclusions that the patents involved were valid. But, in Shaw v. E.B. & A.C. Whiting, 417 F.2d 1097 (1969) where this very court scrutinized and reversed a trial court holding of invalidity, we find all of the clues guiding an appellate court in review of such holding:

The scope of review should be broad, and with the thought that there can indeed be invention in the combining of old elements or steps, p. 1101, citing Grinnell Washing Machine v. E. E. Johnson, 247 U.S. 426 (1918), if the sum of the combination is somehow greater than the sum of the parts. The court will then see (p. 1102) whether the trial court satisfied the three tests for obviousness as enumerated in Graham v. John Deere, supra. In so doing, the appellate court will address itself to any crucial questions of difference between the patent in suit and the prior art (also at p. 1102) and contemplate whether any "difference between the new thing and what was known before is not considered sufficiently great to warrant a patent", again citing Graham v. John Deere. Only then, and being

"... mindful that we may not upset a district judge's findings of fact 'unless [the findings are] clearly erroneous' Fed. R. Civ. P. 52(a)" (p. 1103 of Shaw)

will the appellate court reverse a trial court

"with the definite and firm conviction
that a mistake has been committed.
United States v. United States Gypsum
333 U.S. 364" (p. 1103 of Shaw).

It is submitted that the decision of the district judge in this case meets all of the requirements. It calls attention to the fact that the "subject matter as a whole" was given careful thought as required by 35 USC §103, thus contemplating the possibility for invention in the combination. It spelled out the three tests for obviousness set forth in Graham v. John Deere and reflected the application of these tests to the Esso patent in the light of the prior art. In so doing, it dealt quite specifically with the three questions now raised by Esso (supra 16-17) and met them head on as though fully anticipated.

In summary, there is no error in the trial court's crucial determination of facts leading to its legal conclusion that the prior art so closely approached the Esso-Skarstrom process that the said process would indeed be considered obvious by a person of ordinary skill at the time the invention was made.

At page 40 of its brief Esso starts POINT II of its argument under the heading

THE TRIAL COURT ERRED IN HOLDING SKARSTROM
DID NOT PRODUCE UNEXPECTED RESULTS

The thrust of the argument is that well informed persons were surprised to find that the Skarstrom process worked at least as well without heaters as had the commercially available heater-type driers. There is no evidence in the case to the effect that these persons at the time of their surprise were aware that Kahle and others had previously perfected heaterless drier processes and apparatus. Had they known this, they would have been aware of the Kahle results and could not then characterize the Skarstrom results as "unexpected".

For example, Dr. Skarstrom in his testimony (Tr. 371-379)²⁹ referred to by Esso (Brief 28) made it clear that he was experimenting with heaterless operation of a heater-type drier and was not aware that heaterless operation had ever before been attempted. Thinking he was a pioneer in heaterless drying in his experiment, it is little wonder that Skarstrom felt

"...that the 3 minute cycle/3 minute cycle was producing the best results I had ever seen.

Q. The best results you had ever seen?

A. With this experiment."

(Tr. 377)³⁰

Mr. Axt, the drier salesman who was surprised or "appalled" that the Skarstrom process worked without heaters was obviously comparing it only to heater-type driers and was

29. - 206a - 213a

30. - 210a - 211a

unaware of the prior art disclosures by Kahle and others that heaterless operation would produce the desired results.

(Tr. 381)³¹

Mr. Feely testified (Tr. 410)³² that the only prior literature he was aware of said that the desiccant or adsorbing body had to be heated. He was obviously unaware of the Kahle publications which described heaterless operation and the results achieved thereby. He also testified (Tr. 412-413)³³ that the engineers of the time were acquainted with heater type driers and had to be convinced of the feasibility of heaterless operation. Obviously, such engineers were not aware that successful heaterless operation was previously disclosed by Kahle.

Dr. Meissner, Esso's expert, as Esso points out (Brief 41), was surprised when he "first encountered this circumstance" and was "skeptical about the success before I saw the Skarstrom apparatus demonstrated". According to the opening portion of Dr. Meissner's cross examination, his "first encounter" occurred 16 years after the Skarstrom invention and he was not then acquainted with the prior art. The further cross examination indicates his later familiarity with the Kahle prior art removed his surprise and skepticism. More specifically, he testified that principal features and

31. - 213a

32. - 228a

33. - 229a-230a

results set forth in the Skarstrom claims were "inherent"
(Tr. 333, 347, 348, 351, 354). 34, 35, 36, 37, 38

Kahn does not dispute that in the absence of knowledge of the prior art, the Skarstrom process would seem to be surprising, pleasing, unexpected and quite patentable. In Kahn's own plant in 1957, Messrs. Sheldon and Kennedy experimented with heaterless drying without knowledge of Skarstrom or Kahle and any other prior art and were excited by the results achieved. So was Mr. Kahn. Kahn was so responsive to the pleasing results of heaterless drying vis-a-vis heater-type drying that Kahn had a patent application filed. The record is clear that Kahn was then unaware of Skarstrom and did not have an Esso or Skarstrom type drier to copy and was equally unaware that Kahle had pioneered heaterless drying in Germany. However, when Kahn learned what Kahle and others had previously accomplished in heaterless drying, the Kahn application for a U. S. patent was modified by cancelling claims of the type which Kahn is now accused of infringing in the Skarstrom patent.

34. - 192a

35. - 196a

36. - 197a

37. - 197a

38. - 198a

Incidentally, it should be noted now that the Patent Office never cited the three important Kahle prior publications against the Esso-Skarstrom application, although an unrelated Kahle patent was cited. Thus, as the trial court pointed out (Decision p. 17)³⁹, the presumption of validity is non-existent with respect to this prior art.

Esso wants to make a point of the fact that the trial court has observed the Skarstrom process in retrospect, as though "retrospect" was a dirty word. According to the dictionary --retrospect-- means, "meditation upon past events", and we think any trial court must look with retrospect upon all evidence before it. Therefore, the trial court could not just look at the Skarstrom process and avoid contemplation of the Kahle publications as prior art to Skarstrom. The trial court had to consider the whole panorama of "past events". In doing so, it felt compelled to say that Skarstrom achieved no unpredictable results, or sudden breakthrough (supra 3, 4), and in reaching such decision the trial court guarded against using the Skarstrom disclosure as prior art.

At page 43 of its brief Esso says under POINT III that

THE TRIAL COURT MISINTERPRETED SIGNIFICANCE
OF BOYLE'S LAW AND DALTON'S LAW

39. - 53a

While in the body of its argument Esso confesses that Boyle's and Dalton's laws are hundreds of years old and well known, it contends that the trial court placed "undue emphasis" on their importance "resulting from a skillful effort by defendant's counsel" [this writer]. While it would be satisfying to take the credit Esso offers, the fact is the trial court was guided by Esso's own expert on Boyle's and Dalton's laws.

At an early stage of testimony, (Tr. 48)⁴⁰ Dr. Meissner described Boyle's law as stating that the volume of gas varies inversely with pressure, at constant temperature.

And, wholly contrary to the Esso contention in the middle paragraph at page 44 of its brief, its expert Dr. Meissner testified (Tr. 311-312)⁴¹

"Q. Okay. Now its Dalton's law, Doctor, that says something to the effect that one standard cubic foot of air at any pressure at the same temperature will retain the same amount of water vapor?

A. Yes, that would be a way of saying it; yes sir."

The expert then went on to explain that the 1 to 4 or 15 to 60 pound pressure ratio, which Esso expounded, followed Dalton's thus stated law. The trial court is now being criticized for following Esso's own expert.

40.-85a

41.-184a

Esso colors its criticism by stating that these gas laws "while of some relevance to the Skarstrom patent, they can hardly be described as providing a clear teaching as to a unique adsorption process". The gas laws were not explained to the trial court in the context of explaining why adsorption occurs. According to Dr. Meissner, adsorption is a very complex chemical phenomenon (Tr. 58 et seq.)⁴² which Skarstrom did not invent. The Boyle and Dalton gas laws were used by the expert witnesses and by the trial court in explanation of the gas pressures and volumes needed for the purge gas to do its job in desorption. There was no mistake made by the trial court in the application of these physical laws, and Esso has been unable to point to any. Esso merely attacks its own expert's definitions of the laws because the court adopted them and properly applied them.

As POINT IV and at page 47 of its brief Esso exclaims -

USE OF GERMAN OPPOSITION CLAIM IMPROPER

The import of the Esso argument here is that the trial court used a German patent claim [and applied German law] to find Skarstrom's U. S. patent invalid. We say again this argument is nonsense.

42. - 85a

What the trial court did was look to a German patent claim submitted by Esso in July 1972 to determine from that claim which steps and their combination were admitted by Esso to be old in the Kahle prior art. The trial court was not concerned with the effect of these admissions on Esso's German application nor was it concerned with the interpretation of German patent law. The court stated (Decision p. 19)⁴³

"...this Court is primarily concerned first with Esso's own admissions of the scope and content of the prior art and second with its analysis of the differences between the prior art and its claims for a patent, not with the decision the German Patent Office made with respect to patentability."

In hard fact, the decision of the German Patent Office was never made a part of the record below, and as far as Kahn is aware, the trial court has never known how the German Patent Office ruled on the patentability of Esso's German claim. The German decision was not of importance before the trial court and it is not important now.

What is important is that Esso's German claim was admitted in evidence on stipulation of counsel for Esso and Kahn⁴⁴, and that such claim contains the admission by Esso on the scope and content of the prior art. The trial

43. - 55a

44. - 37a

court treated this claim and its admission within the limitations of the stipulation and in strict accordance with comments of Esso and Kahn counsel when they appeared before the court on June 25, 1973.⁴⁵

Esso would now retreat from its stipulation and representations to the trial court on allegations that: (1) the court made erroneous interpretations of German Patent Law (when actually the trial court did not interpret any German law); and (2) that there was insufficient evidence presented on German Patent Law (when Esso had opposed all attempt by Kahn to bring such law before the court).

In effect and essence, Esso now wants to withdraw its admission on the scope and content of the prior art contained in its 1972 patent claim before the German Patent Office. In furtherance of this, it now wants to introduce a 1973 article on German Patent Law into the record of this case.⁴⁶ While this is objectionable, per se, it cannot under any circumstance be considered at all persuasive because Esso made its admission long before the article appeared and with the clear advice from its German patent agent⁴⁷ that statements made in a claim before the German Patent Office should and would have to admit the scope and content of the prior art.

45. - 20a

46. - E-115

47. - E-187-188

Accordingly, it is respectfully submitted that this court may look to 29 Am. J. 2d. 655 wherein it is said in effect:

§600 - "Any statement made by a party to an action which is against his own interest and which in its nature tends to establish or disprove any material fact or alleged material fact in the case is competent to be put in evidence against him in a trial of that action. ... An admission of a party to an action often gives the best interpretation of a matter in issue."

At page 54 of its brief Esso makes POINT V:

THE TRIAL COURT MISAPPLIED TEST OF
SUPREME COURT AS TO STANDARD OF PATENTABILITY

In whole support of this argument Esso notes that the trial court cited and quoted a portion of the concurring opinion in A & P Tea v. Supermarket Corp. 340 U.S. 147, 154-155. Esso repeated only so much of the trial court's quotation as would suit its needs, i.e., the portion having to do with the prior practice of courts to look for "inventive genius". Esso failed to note that the citation also stated

"Every patent is a grant of a privilege of exacting tolls from the public. The Framers plainly did not want those monopolies freely granted."

It is submitted that the trial court referred to A & P for the language quoted above and not to indicate that the Esso patent was being subjected to a "genius" test of any kind. The trial court was well aware that the later (1952)

codification of the patent law set forth in 35 USC §103 called for "non-obviousness" as the test to be made in preference to any "genius" test. In proof of this at page 25⁴⁸ of its decision and immediately after quoting A & P the trial court said:

"I conclude that the Skarstrom patent in issue does not meet the non-obvious test for patentability set forth in 35 USC §103."

And, throughout the decision the trial court made it clear that the non-obvious test was applied under the guidelines of the Supreme Court in its 1966 ruling in Graham v. John Deere, supra.

CONCLUSION

The trial court judgment should be affirmed.

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December 5, 1974

Mr. A. Daniel Fusaro,
Clerk, United States Court of Appeals
for the Second Circuit
United States Courthouse
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New York, New York 10007

Re: Esso Research and Engineering
Company v. Kahn and Company, Inc.
and Chandler-Evans, Inc.
Appeal No. 74-1765

Dear Mr. Fusaro:

Enclosed herewith are 25 copies of the
brief for the defendants-appellees. These copies
now include references to the joint appendix and
volume of exhibits and are to be substituted for
the earlier filed copies.

Two copies of this brief are being served
by mail today on Robert I. Pearlman, Esq. at P. O.
Box 55, Linden, New Jersey 07036, and one copy is
likewise being served upon Richard A. Huettnner, Esq.,
Kenyon & Kenyon Reilly Carr & Chapin, 59 Maiden Lane,
New York, New York.

Yours very truly,

MCCORMICK, PAULDING & HUBER

By *Roger B. McCormick*

RBM:kmm

Enclosures

cc: Robert I. Pearlman, Esq.
Richard A. Huettnner, Esq.
William M. Pomerantz, Esq.
Mr. Irving I. Kahn